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RUEHBO/AMEMBASSY BOGOTA 3641
RUEHBR/AMEMBASSY BRASILIA 7504
RUEHBU/AMEMBASSY BUENOS AIRES 4761
RUEHCV/AMEMBASSY CARACAS 2013
RUEHPE/AMEMBASSY LIMA 2075
RUEHME/AMEMBASSY MEXICO 1910
RUEHNM/AMEMBASSY MONTEVIDEO 4210
RUEHQT/AMEMBASSY QUITO 4652
RUEHSG/AMEMBASSY SANTIAGO 9235
RUEHRI/AMCONSUL RIO DE JANEIRO 0888
RUEHSO/AMCONSUL SAO PAULO 2051
RHEHNSC/NSC WASHINGTON DC
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UNCLAS LA PAZ 003155

SIPDIS

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STATE FOR WHA/AND
TREASURY FOR SGOOCH
ENERGY FOR CDAY AND SLADISLAW

E.O. 12958: N/A
TAGS: [EAGR](#) [ECON](#) [PGOV](#) [BL](#)
SUBJECT: SENATE BOYCOTT OVER LAND REFORM

REF: A. LA PAZ 3096

[B](#). LA PAZ 3131
[C](#). LA PAZ 3132

Summary

[1](#). (SBU) Members of the political opposition are blocking discussion of a land reform bill (ref A) in the senate by not attending sessions. Marches in favor of and against the reforms are intensifying throughout the country. Vice Minister of Agriculture Freddy Condo told Econoff on November 22 that the GOB's two main goals regarding land reform are to speed up the land titling process to four months and to enable unproductive land to be reverted to the state through bi-annual reviews determining if medium and large properties are fulfilling an "economic and social function." The GOB's proposed reforms would make securing credit difficult for large, agricultural producers in the East. The divisive issue of land reform, combined with the president's proposed legislation to censure regional governors (ref B), and the debate over voting rules in the Constituent Assembly (ref C), have the potential to tip the conflict between the central government and the eastern regions to a breaking point. End summary.

Opposition Blocks Land Reform in Senate

[2](#). (SBU) Members of the political opposition parties Podemos and UN are blocking discussion of a draft law modifying the 1996 National Agrarian Reform Law (INRA) in the senate by not attending senate sessions. Without a quorum, discussion of the law cannot go forward. The law was approved by the lower house, in which the GOB's MAS party has a majority, on

November 15 (ref A). Podemos holds 13 out of 27 senate seats, while the MAS holds 12, and opposition parties UN and MNR each hold one.

Marches in Favor of and Against Reforms Intensify

¶3. (SBU) Indigenous groups from Santa Cruz in favor of the reforms began marching towards La Paz about three weeks ago. Indigenous groups from four other regions subsequently initiated their own marches, and the five groups plan to meet in Calamarca, 80 kilometers from La Paz, on November 25 to march together to the capital. On November 21, the Eastern Agricultural Chamber (CAO) led a counter-march in Santa Cruz department, joined by cattle ranchers, indigenous groups from the East, farmers, and a group of cooperative miners from Oruro.

Vice Minister Explains GOB's Main Reform Goals

¶4. (SBU) Vice Minister of Agriculture Freddy Condo told Econoff on November 22 that the GOB's two main goals regarding land reform were to speed up the land titling process to four months and to enable unproductive land to be reverted to the state. He said that under the terms of the draft law, if government workers determined that a plot of land was not fulfilling an "economic and social function" during bi-annual inspections, the land would revert to the state. He explained that although the current law provided for reversion, land was considered to be fulfilling an "economic and social function" as long as the owner paid a

minimal amount of taxes on the land, and thus, in the past, unproductive land was rarely reverted. He said that the inspectors would consider factors such as whether the land owner had equipment and workers, if the owner paid the workers social benefits, if the owner lived on the land, and if the owner had made investments in the property.

¶5. (SBU) Condo further explained that only medium and large properties, but not small ones, could be "reverted" for not fulfilling a social and economic function and would not receive compensation. However, small properties (those ranging from one to fifty hectares depending on region) could be "expropriated" for public need with compensation. He said that medium and large properties could be used as collateral for loans, but that small properties could not. He argued that reforms were necessary to avoid one head of cattle being allocated more land than a family. He speculated that the senate would approve the reforms because the UN and MNR would join the MAS to form a majority in favor of the them.

Comment

¶6. (SBU) The GOB's proposed bi-annual review of whether or not property is fulfilling an economic and social function would make it difficult for large, agricultural producers to secure credit for long-term investments. Condo's assertion that the UN and MNR would join with MAS to approve the land reform bill seems unlikely, given public statements by the UN senator in the press against the reforms. The divisive issue of land reform, combined with the president's proposed legislation to censure regional governors (ref B), and the debate over voting rules in the Constituent Assembly (ref C), have the potential to tip the conflict between the central government and the eastern regions to a breaking point. End comment.

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